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SPEECH ON THE BUDGET

DELIVERED BY

HON. J. G. ROBERTSON

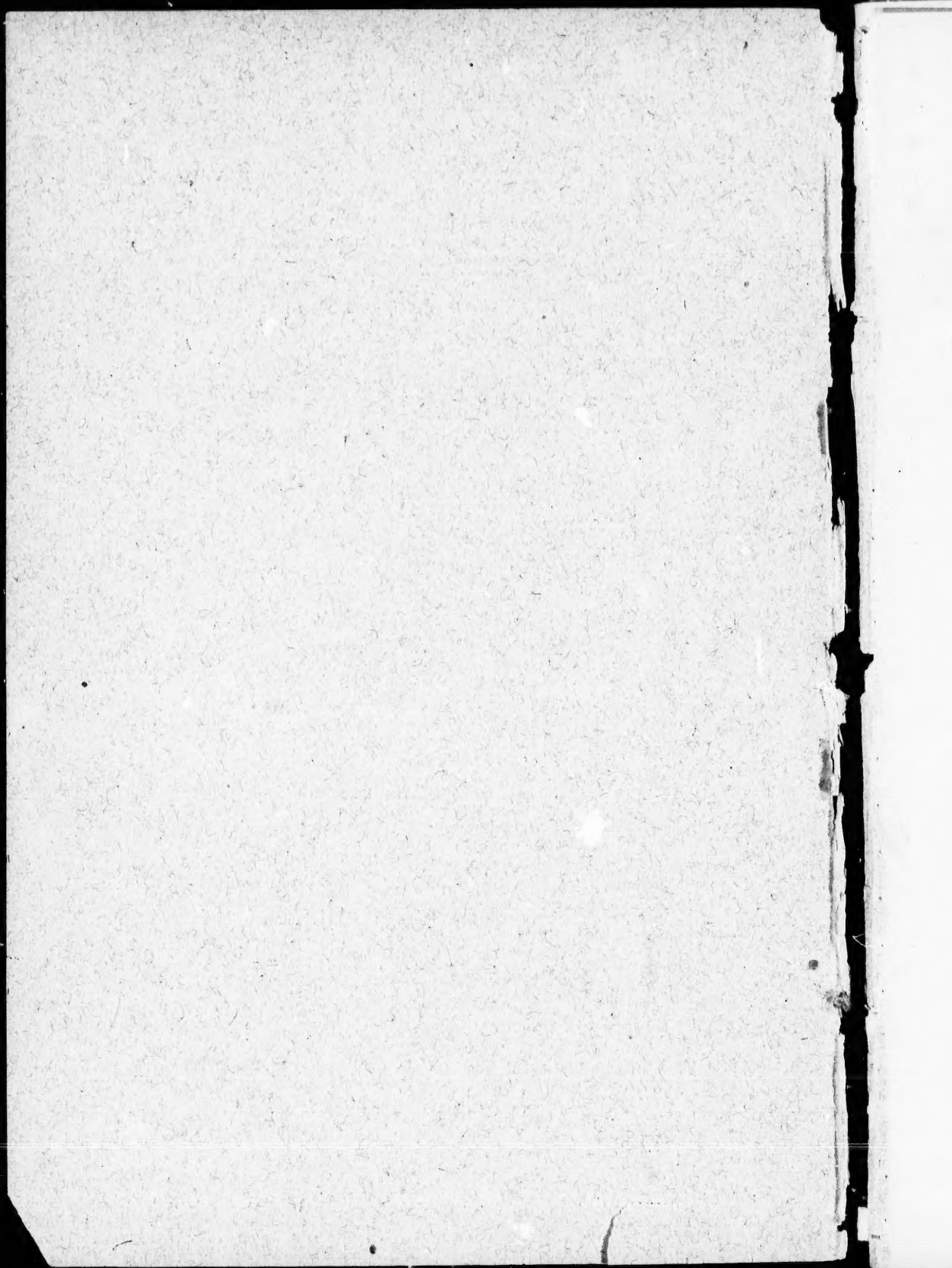
TREASURER OF THE PROVINCE OF QUEBEC.

LEGISLATIVE ASSEMBLY

QUEBEC, MAY 7, 1886.

GAZETTE PRINTING CO., MONTREAL.

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TREASURER OF THE PROVINCE OF QUEBEC.

LEGISLATIVE ASSEMBLY,

QUEBEC, MAY 7, 1886.

In the Legislative Assembly this afternoon, after routine, Provincial Treasurer Robertson rose to deliver the budget speech. He said :—

Mr. Speaker, I beg leave to move, seconded by Hon. Mr. Tailon, that you do now leave the chair and that the house form itself into committee of supply. In presenting this motion, Mr. Speaker, I do it, feeling—from the state of my health—unable to do justice to the matters in detail which the motion includes and which the house usually expects on such an occasion. I feel sure I have no need to bespeak the indulgence of the honorable members of this house, under present circumstances, and that the uniform courtesy and consideration which I have always received from my honorable colleagues in the house will be extended to me on the present occasion. I hope, when in committee, to be able to give satisfactory explanations upon the amounts asked for, and the purposes to which the sums voted by the house will be applied. Before proceeding to consider the estimated receipts and expenditure for the coming fiscal year I have had prepared a statement of the receipts and expenditure of the past year ending 30th June last, separating what may be considered ordinary

normal receipts from proceeds of loans, trust funds, etc., on the one hand, and common ordinary expenditure, from extraordinary expenditure, such as on railways, public buildings, etc., on the other: and I am happy to inform the house that our

ORDINARY RECEIPTS EXCEEDED OUR ORDINARY EXPENDITURE

by some \$24,950, and it is to be taken into account that the Dominion Government did not pay us \$53,618.67, upon the interest due the province on the railway grants made two years since, under the misapprehension that the interest only commenced from the date of the order-in-council, instead of from the passing of the act. Last session, in summing up the ordinary business of the year previous, I remarked that "the difference between ordinary usual receipts, and ordinary usual expenditure would seem to be \$240,000, a considerable reduction on former years, and a step in the right direction." Last year, as I have said, so far from having any deficiency, we have an actual surplus, small, it is true, but as compared with former years when the deficiencies ranged all the way from \$200,000 to twice that amount, I think the Province is to be congratulated upon the change which has been brought about, and I hope we may hereafter, with prudence and economy, soon find our finances in a satisfactory condition. Had we received what was due from the Dominion last year we would have had \$78,568.71 to the good, and I have no doubt we will receive the amount during this year, and advices from Ottawa have been received to that effect. What I mean to say, and do say, is that upon our ordinary usual receipts and expenditure, the former exceed the latter by the sum I have mentioned, not including extraordinary receipts and extraordinary payments, the former from loans, etc., and the latter on capital account. (Cheers.) Some of our newspapers have been trying to make it appear that there was no surplus last year, because

TEMPORARY LOANS

exceeded what had been paid thereon, but the parties overlooked or,— what is more probable, did not know—that no part of the

temporary loans was included amongst the usual ordinary receipts on the one side, or among the ordinary usual payments on the other, but these loans and payments were classified with what belongs practically to capital account, that is, that we have some tangible asset, the product of the loans, to show for the expenditure; the Province being liable during the currency of the loans to payment only of interest, until the maturity of the loans made, whether temporary or permanent. To proceed in the way these pretended financiers propose—by placing temporary loans as ordinary revenue—it would be easy in any one year to show a surplus, larger or smaller, by borrowing money sufficient to place the receipts over the expenditure, and the surplus thus obtained would be a false surplus, large or small, corresponding with the amount borrowed. In other words, if temporary loans were considered as ordinary revenue, by borrowing a sum sufficient and placing it among the receipts, we could, notwithstanding a real deficiency, make it appear that our receipts exceeded the expenditure and shew a seeming surplus in any year's transactions; whereas, by the statement I submit to the house, placing our ordinary revenue on the one side of the account as receipts, and placing on the other among, payments, those made for ordinary usual purposes of the public service, discarding temporary and permanent loans from the ordinary receipts and payments account, we can see at a glance whether our ordinary receipts exceed our ordinary expenditure, or otherwise, as the case may be. On this principle I maintain we had an excess of ordinary receipts last year over ordinary expenditure, as I have mentioned. (Cheers.) Others say the amount received from

THE MUNICIPAL LOAN FUND

should not be treated as ordinary revenue, but I fail to see why a receipt from this source should not be treated the same as if a tax was laid for any purpose, which, when collected, would be applied to ordinary expenditure, and why receipts from this source should not be treated as say receipts from crown lands, the pro-

ceeds of sales of part of the crown domain; and besides interest is accumulating on the municipal loan fund yearly, sufficient to balance the amounts received for some years past. Another point: If by receipts from the municipal loan fund we pay off the deficiencies of former years, we are only paying off capital debts out of capital receipts, should the receipts from this source be considered as on capital account. It has been stated also by parties, who seem to regret very much that our finances are improving, that inasmuch as I did not invest the sinking fund, some \$30,000, last year, that there is so much of a deficiency at any rate. Now, Mr. Speaker, I have made other arrangements whereby the greater portion of our sinking fund is provided for until the maturity of our bonds, so as to avoid a loss annually. I will hereafter refer to this at some length, which will, I have no doubt, prove satisfactory to the house and the country generally, though some parties may feel and doubtless will express their dissatisfaction at any improvement in our position, as it takes away what they consider a good opportunity to attack the Government and to cry out about the ruinous state of the Province, caused by the Liberal-Conservatives. I now present the statement referred to, which will show more clearly what I have been explaining. The

RECEIPTS FOR 1884-85 WERE:

Dominion of Canada	\$1,202,022 80
Ontario, on account of interest on proceeds sales Common school lands.....	35,000 00
Crown lands.....	659,041 36
Licenses.....	275,394 06
Justice	228,026 13
Public officers percentage.....	10,272 16
Legislation.....	6,302 01
Official Gazette	17,889 27
Asylums, contributions by municipalities and paying patients	6,137 03
Public buildings.....	1,715 41
Casual revenue.....	1,332 90
Pension fund contributions	5,095 51
Interest.....	80,078 60

Quebec fire loan.....	624 00
Municipal Loan Fund.....	42,671 84
Traffic collections, Q. M. O. & O. Railway.....	6,622 15
Interest on price, Q. M. O. & O. Railway.....	374,539 36
Refunds, including refunds on account of traffic expenses Q. M. O. & O. Railway.....	8,687 28
Premium, discount and exchange	1,355 12
Common ordinary revenue.....	\$2,962,806 99
Trust funds, marriage licenses, interest on R. C. Sup. Educa- tion deposit, etc.....	8,155 48
Teachers' Pension Fund contributions	20,512 65
Repayments of advances.....	4,500 00
Quebec Court house debentures sold.....	150,000 00
Refund on construction account Q. M. O. & O. Railway.....	7,135 89
Temporary loans, Bank of Montreal.....	450,000 00
	<u>\$3,603,111 01</u>

THE EXPENDITURE FOR 1884-85 WAS:

Public debt.....	\$ 980,110 29
Legislation.....	185,217 98
Civil Government.....	187,874 12
Administration of justice, including police, reformatories and inspection.....	432,575 45
Public instruction, including teachers' pensions.....	347,885 00
Literary and scientific institutions.....	5,973 79
Arts and manufactures.....	6,000 00
Agriculture.....	71,473 92
Immigration	9,868 24
Colonization.....	80,000 00
Public works and buildings.....	\$298,705 76
Less to be paid out of loan and proceeds of debentures.....	<u>229,777 15</u> 68,928 61
Lunatic asylums.....	227,500 00
Grants to charitable institutions.....	42,864 00
Reformatory and industrial schools.....	27,697 86
Miscellaneous	10,125 89
Agent in France.....	2,500 00
Royal commission, re Jacques Cartier election.....	9,841 57
Royal commission, re Parliament buildings.....	9,865 12
Help to distressed fishermen on Labrador coast.....	3,040 56

Municipal Loan fund, salary and expenses of commissioner.	616	20
Engineers for mining purposes.....	3,116	10
Crown lands expenditure.....	135,508	00
Official Gazette.....	11,479	73
Stamps, licenses, etc.....	13,057	32
Pensions.....	13,937	68
Municipalities fund.....	144	00
Licenses—Payments by revenue officers out of collections..	18,897	32
Building and jury fund—Payments by sheriffs out of col- lections.....	11,208	25
Traffic expenses—Q. M. O. & O. railway.....	20,549	95
		<hr/>
Ordinary expenditure.....	\$2,937,856	95
Trust funds—Distribution marriage license fund and \$500 on R. C. Supt. education deposit.....	7,905	00
Gold mining deposits refunded.....	663	64
Parliament buildings—payments out of proceeds of loan of 1882.....	140,000	00
Quebec Court House, to be repaid from debentures.....	89,777	15
Quebec Central Railway, guarantee deposit repayments out of proceeds of loan.....	124,101	21
Railway subsidies, do.....	273,182	10
Q. M. O. & O. railway construction and lands, do.....	182,778	01
Temporary loan repaid.....	300,000	00
		<hr/>
		\$4,056,264 06
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Memo:		
Cash on hand 1st July, 1884.....	\$2,328,713	78
Less part of price of Q. M. O. & O. railway, invested under 45 Vic., cap. 21.....	600,000	00
		<hr/>
		\$1,728,713 78
Less unpaid warrants at 30th June, 1884, (since paid).....	72,068	41
		<hr/>
		\$1,656,645 37
Excess of payments over receipts for year 1884-85, on capital account.....	453,153	05
		<hr/>
		\$1,203,492 32
Cash on hand 30th June, 1885.....	\$1,265,481	56
Less unpaid warrants at 30th June, 1885.....	61,989	24
		<hr/>
		\$1,203,492 32

THE GROSS RECEIPTS

from all sources amounted to \$3,603,111.01, including temporary loans, Quebec court house debentures sold, etc., and the total expenditure, including payment on Parliamentary building, court house construction, land claims, and construction on Q. M. O. & O. R., and payment on loans, amounted to \$4,056,264.06 a difference of \$453,153.05, which, however, belongs to capital account to be met out of proceeds of loans and not out of usual revenue. I find that the sources of revenue estimated in my Budget Speech of 2nd May, 1884, to produce during the year 1884-85 \$3,112,022.80 have actually produced \$3,100,642.44, thus falling short by \$11,380.36. That is there was received from some of these sources an amount of \$125,069 more than was estimated, and from others \$136,449.36 less than was estimated, including the Dominion Government \$59,850 (the exact amount of this indebtedness has since been fixed at \$53,618.67) and municipal loan fund \$57,328. There have been received, in addition, from sources of revenue not included in my estimate and in refunds \$23,800.44, and on account of trust funds, which have to be repaid, \$28,668.13. On the estimated expenditure I find \$95,179 more spent than anticipated, but it must be borne in mind that this includes payments to subsidized railways, which it is impossible to estimate, as we do not know how many miles of railway may be built by the various subsidized railroad companies, but when built they are entitled to their subsidy, which must be paid. There is also to be taken into account in reduction of the amount mentioned as spent over what was anticipated, that we paid to the Royal Commission on the Jacques Cartier election and the enquiry respecting certain contracts on the public buildings the sum of \$18,891.39. And aid to the distressed people on the Labrador coast \$3,040.56, and refunds upon gold mine deposits \$663.64, and paid by sheriffs, out of collections for building and jury fund, \$11,208.25, and by revenue collectors, out of collections from licenses, \$18,897.32 (together \$30,105.57), in all \$52,701.16, which, though authorized by law to be paid, may be

considered as extra payments made during the year and not included in the regular estimates, though properly included in the public accounts. These statements show that the estimated receipts and expenditure correspond very nearly to actual receipts and expenditure. (Cheers.) I trust, Mr. Speaker, that the honorable members and the country will be satisfied with the statement of our financial affairs for the past year, and will see that the

GOVERNMENT HAS DONE ALL IN ITS POWER

to bring our finances into a sound and healthy position. I have certainly done all I could, and if I have not done all I could have wished, at the same time I am pleased to accomplish so much, and it is but fair to add that I have been aided by my honorable colleagues in the Government, as far as they possibly could. (Cheers.) Amongst our receipts, as I have said, we failed to receive \$59,850, included in my estimate of the amount to be received from the Dominion of Canada; we failed to receive the estimated amount from municipalities for patients in lunatic asylums by \$7,862.97, from municipal loan fund by \$57,328.16, and other small items, making in the whole \$136,449.36. On the other hand, we received more than was estimated: from Ontario, on interest on Common School Fund, \$5,000; from proceeds of licenses, \$50,394.06; from Crown Lands, \$59,041.36; from Public Officers' percentage, \$3,272.16; from interest on deposits, \$5,078.60, which, with other small items of excess in actual over-estimated receipts, makes \$125,069. And if to this be added \$23,800.44, from sources of revenue not included in my estimate, the excess of actual receipts over estimates would amount to, on these items, \$148,869.44, shewing an amount of \$12,420.08, of actual receipts in excess of my estimate, not including \$28,668.13 received on account of trust funds. As the province increases in population we may expect increased demands for the administration of Justice, education, railways and colonization roads, and for agricultural purposes; all that can be done is to judiciously expend for the general benefit such sums of money as may be imperatively required in the public interest. With respect to

THE SINKING FUND

on part of our public debt, being deprived of upwards of \$50,000, due us by the Dominion, I did not make any investment for last year, but I feel sure of our receiving it during the current year, and, if thought advisable, the investment can be made this year for the last year, along with the present year's investment, but this will now be unnecessary, as other means will be adopted; but, Mr. Speaker, I have great doubts of the propriety of our investing at present any amount in Sinking Fund, inasmuch as we cannot make an investment at over 4 per cent. interest, thus losing 1 per cent. on the amount of Sinking Fund invested—an item of considerable importance. I applied to certain parties to purchase some of our own bonds, and could not obtain any at a less rate than $12\frac{1}{2}$ per cent. premium, involving a loss too large for the province to sustain. To have purchased our own debentures, for the amount appropriated for Sinking Fund would have entailed a loss, with cost of exchange, of nearly \$4,000, and a continuance of this system during the period the loan has to run would involve a loss to the province, with interest on the loss from year to year, of upwards of \$100,000. I intend introducing a bill at this session

APPROPRIATING THE RAILWAY GRANT

made by the Dominion Parliament upon the Q. M. O. & O. railway as sinking fund upon our loan of 1874, as far as it will go. The amount of the grant was \$2,394,000, which will provide the Sinking Fund for so much of 1874 loan, and this will leave only unprovided for as respects Sinking Fund between \$600,000 and \$700,000, requiring only \$6,000 to \$7,000 yearly for Sinking Fund, not otherwise provided for, on all our loans. This plan will save to the Province up to the time when the 1874 loan matures upwards of \$100,000, if it is adopted, over and above what the purchase of our own bonds at present rates as Sinking Fund would involve. It is to be borne in mind also that aside from the loss of interest, if investments were made on Sinking Fund account other

than purchase of our own debentures, that the interest accruing from year to year has to be reinvested, in addition to the annual appropriation, and on this account involving a further loss in interest. The balance of the loan of 1874, the unredeemed amount of the loan of 1876 and the full amount of the loan of 1878, being provided for by the Act 45 Vic., cap. 21, which appropriated the price of the sale of the Q. M. O. & O. railway, to the payment of so much of these three loans, the payment of the loan of 1880 is provided for by the semi-annual redemption of the bonds drawn in the *tirages* which took place. No Sinking Fund is required for the loan of 1882, which is only redeemable at the option of the Government after thirty years. Honourable members will bear in mind that the interest payable on the grants from the Dominion and the price of the Q., M., O. & O. railway are by statute, or will be appropriated to the interest of our loans from time to time, and the appropriations thus made for annual interest on those loans and for the Sinking Fund, places the position of the Province as to payment of our debt and the position of the bondholders in the most favorable condition possible, and cannot fail to be satisfactory to all concerned. This plan relieves the Province from all arrears of Sinking Fund not heretofore invested, in so far as related to all our debt which requires a Sinking Fund for its redemption, except the sum I have mentioned, part of the loan of 1874. The price of the Q., M., O. & O. railway and the Dominion grant thus appropriated to the redemption of so large an amount of our funded debt and to the payment of the annual interest thereon, must convince the most skeptical as to our financial position that we have

NOTHING TO FEAR FOR THE FUTURE,

and that although our debt is a large one, still such provisions are made for its payment that it requires only the carrying out of the law to ensure that no difficulty will arise in the future in meeting all the demands against the province. I consider this mode of providing for our sinking fund highly advisable and profitable for the Province. It protects the rights of the bondholders, and is

much preferable to any other mode which can be adopted, doing away with the appropriations year by year on Sinking Fund account. Possibly it may be thought advisable hereafter to appropriate enough of the increased subsidy granted by the Dominion, being the interest on the amount withheld from 1867 to 1873 to the same purpose, and wipe off all Sinking Fund account. (Cheers). I now come to the

LIABILITIES AND ASSETS OF THE PROVINCE.

The statement is approximative only, inasmuch as our railway indebtedness and the cost of public buildings vary from time to time, the cost of the latter in most cases exceeding the first estimate by a considerable amount. It will be noticed that the balance of estimated cost of the Parliament buildings and the Quebec Court house, taking into account the amount spent during the current year, exceeds by a good deal the estimate given last session. I have, however, to be guided by the estimates of the Public Works department and have placed as a liability the sums asked for, which I hope will be sufficient to cover the actual outlay in the completion of these important public works. These works in no way belong to ordinary payments and will have to be met out of loans, the interest on which annually will have to be paid out of revenue. An approximate statement of liabilities and assets of the province, made up to the close of the last fiscal year, gives:

LIABILITIES.

Funded debt outstanding.....	\$18,233,853 34
Temporary loans and deposits.....	637,739 45
Railway subsidies authorized, but not yet earned.....	1,255,013 65
Balance of estimated cost of Parliament buildings.....	135,000 00
Balance of estimated cost of Quebec Court House.....	154,700 00
Balance of land and other debts of the Q. M. O. & O. Rail- way.....	86,897 49
Teachers' Pension fund.....	87,071 79
	<hr/>
	\$20,590,079 72

ASSETS.

Part of price of Q. M., O. & O. paid and invested.	\$ 600,000	
Balance of price of Q. M., O. & O. railway unpaid.	7,000,000	\$7,600,000 00
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Capitalized railway subsidies under the Dominion act 47		
Vic, cap. 8.....	\$2,394,000 00	
Special deposits.....	1,000,000 00	
Cash in banks.....	265,481 56	
Cost of the Jacques Cartier school, Montreal, to be repaid from sale of property in Montreal.....	138,348 02	
Quebec Court House debentures to be issued.....	50,000 00	
Loans and amounts due by Province of Ontario.....	147,970 00	
City of Montreal—Subscription to Hull bridge.....	50,000 00	
City of Montreal—Difference between \$132,000 and cost of lands expropriated between Dalhousie square and Hochelaga.....	75,226 96	
Dominion of Canada—Interest on capitalized railway sub- sidies from April 19, 1884, to October 1, 1884.....	53,618 67	
		<hr/>
		\$11,774,645 21

Leaving a balance of liabilities over assets at June 30,
1885, of..... \$8,815,430 51

It will be noticed that notwithstanding we reduced our funded debt outstanding by upwards of \$50,000 during last year, that the balance of debt is a little larger than per last statement, occasioned by the increased estimate of the cost of completing the Parliament buildings and Quebec Court House, and the furnishing of these buildings, but I thought it better to give the figures large enough to fully complete these buildings, furnishing and heating, for which no estimate was previously given. I have added also to liabilities the amount of contributions made towards the Teachers' Pension fund with interest up to July 1st, 1885, which increases the amount by some \$87,000, which the Province is bound to pay when the pensions fall due. It will be in the recollection of honorable members, that last year I

DID NOT PUT AMONG OUR ASSETS

available for payment of our funded debt \$2,549,213.61, the capital and interest upon what was withheld from the Province by the

Dominion between 1867 and 1873, when the Dominion assumed the surplus debt of the old Province of Canada over the \$62,500,000 assigned the Dominion in the Confederation Act of 1867. I have been found fault with by some because I did not at once take credit for the amount mentioned as so much in deduction of the funded debt of the province, inasmuch as the Dominion became bound to pay the same to this Province, but, Mr. Speaker, I am still of the opinion that as the Dominion Government are obliged to pay only the interest at 5 per cent. annually upon the sum mentioned, it more properly should be treated as annual revenue and not treated as so much capital at our command, as we have no control over the latter, but have upon the annual interest receivable from year to year. I frankly acknowledge that I may be mistaken in my views on the application of the \$2,549,213.01 referred to, and it is urged in support of the other view that it should be placed amongst our assets in reduction of our debt, because when our loans fall due there is no question but the Dominion would rather pay us the principal than pay interest at 5 per cent. on the amount, when the Dominion can borrow money at 4 per cent. or less. And besides that, if we did not receive the principal sum named and it was retained by the Dominion, we could easily make a new loan and save at least 1 per cent. per annum interest by borrowing at 4 per cent. and receiving from the Dominion 5 per cent. per annum. If the opinion expressed as to the application of the amount is correct and I am wrong—and this is quite possible—it would reduce our liabilities to \$6,266,217.50 instead of \$8,815,430.51, a consummation devoutly to be wished. In either case the statement I consider eminently satisfactory. (Cheers.) Honorable members will notice that amongst our assets the

DEPOSIT IN THE EXCHANGE BANK

is put down at the full amount. Since the beginning of the current year we have received on account \$37,500, and it is uncertain how much more we may receive in the future, and I could not alter the figures till the matter was closed. As the funds in

this bank formed part of the principal of the Quebec, Montreal, Ottawa & Occidental Railway, should any loss occur, it must be made good out of the Consolidated Revenue Fund, so as to keep good the amount appropriated as Sinking Fund on part of our loans. As to the Jacques Cartier Bank, I considered it right to place the whole amount as an asset, as before. We do not and cannot agree with the pretensions of the bank officers, and means will be taken to arrange this matter as soon as possible. It was remarked in the House, the other day, that the success of the Province with respect to the license question before the Privy Council was to be attributed solely to the efforts of the Province of Ontario, and that our Province had little or nothing to do with the success of the Provinces. This statement I do not agree with, and may have something to say about it by and by; but one thing is indisputable, and that is, that the assumption of the surplus debt of the late Province of Canada by the Dominion, whereby Ontario and Quebec were relieved from nearly \$11,000,000 debt, was obtained by our Province against the action of Ontario—and consequent upon this, the large amount thus added to Ontario and Quebec revenue, year by year, was brought about by the Province of Quebec, notwithstanding the opposition of Ontario, although our sister Province benefitted more largely by our action than we did. (Cheers.) I have no fault to find because Ontario received larger benefits from our efforts—at the same time I do not like to have the efforts of our Province overlooked, or treated as if we did little or nothing towards asserting provincial rights whenever we consider them infringed upon by the Dominion authorities or any other. We frequently hear from speeches on the hustings of the large debt of the Province of Quebec, and the amount is stated to be from \$20,000,000 to \$25,000,000; but certain parties who seem to take delight in running down our province, in every way possible, by magnifying our liabilities and throwing discredit on the acts of our public men and imputing motives anything but creditable to them, in most cases forget to give our assets in reduction of our debt.

A GLANCE AT OUR ASSETS

should convince any reasonable man that they are perfectly good and available to meet part of our funded debt, when due, and therefore in fact reduce our debt by so much. I am happy to say that the efforts of certain parties to injure the credit of our Province, have little or no effect in those countries where most of our debentures are held, as shewn by their value in the money markets of Europe, if they have some temporary effect in election campaigns in this Province. When our vast Crown domain is taken into account, its great value commercially, the railways which have been built by means of assistance given by the Province, and the increased value of property consequent on the railway expenditure, and look at our Departmental and Parliamentary buildings, a credit to any country, and consider that our debt was increased for those important public works, none of which have been included amongst the assets of the Province in the statement submitted, the man who considers the Province in a bad position financially, is possessed of a peculiarly constituted organization which I confess I cannot understand or sympathize with. Why, sir,

WITH ANYTHING LIKE PRUDENCE

in our expenditure, with due diligence in the collection of our revenue and the proper administration of our Crown lands, I see no reason why this Province cannot go on and prosper equal to any province in the Dominion, and leave our people nothing to envy in any other part of this Canada of ours. (Cheers.) It is, of course, understood by honorable members that the statement of receipts and expenditure

FOR THE CURRENT YEAR

affords no indication of how they will stand at the close of the year; at some periods of the year the expenditure is very large with but few receipts, and at other periods, the receipts are large and the expenditure comparatively small, and it is only at the

close of the year we can ascertain how the accounts stand. At the same time it will be gratifying to the House when I say that for the period of the fiscal year already passed, our ordinary usual revenue exceeds the ordinary usual expenditure. I now come to the estimated receipts and expenditure for the next fiscal year, made up as near as possible of what revenue is expected, and the proposed expenditure. These estimates are, of course, liable to error, as it is impossible to judge accurately of what is future, but I present them, feeling confident the results will not vary very much from what is anticipated, either as to receipts or expenditure. (Cheers.)

THE ESTIMATED RECEIPTS FOR 1886-87

vary but little from year to year, and might be given in onesum, but by giving them in detail, a comparison can be made of any changes from year to year, and the actual receipts can be compared with the estimated to show whether the anticipated revenue is realized or not. The first and principal item is:—

Dominion of Canada, subsidy under Confederation Act....	\$ 889,252 80
Allowance for Government under Confederation Act.....	70,000 00
Additional subsidy, under Act of 1884.....	127,460 68
Interest on grant for Q. M. O. & O. Railway.....	119,700 00
Interest on trust funds.....	55,459 32
Making in all from the Dominion.....	\$1,261,872 80

Then from Ontario there is:

Interest on collections on account of Common School Lands in Ontario.....	30,000 00
and	
License Duties which I have estimated at.....	275,000 00
which will, I think, be realized. Had it been possible I would have introduced	

A NEW LICENSE ACT

this session, but the short time which elapsed after receiving the judgment of the Privy Council establishing the rights of the Provinces to control licenses and the meeting of the House, and other circumstances, prevented me from attempting to consolidate our

present Acts on this subject at the present session. It is important when a change in the law is made to have the new law as perfect and complete as possible, and to do this will require a good deal of time and much labor. There are many clauses in the Dominion Act, which were disallowed by the Privy Council, which should be incorporated into the Provincial Act and arranged in such a way as to fit into our Act and make it as complete as possible. Personally I am inclined to think that in cities, and large towns especially, the number of licenses should be diminished for the sale of spirituous liquors and the price increased upon those who obtain licenses. It is also a serious question whether the sale of these liquors in groceries should not be prohibited, and some better provision is required for so-called restaurants, which, in many cases, are mere drinking saloons and not places where travellers can obtain meals when required. (Cheers.) I received information respecting the argument before the Privy Council in England, as to the part taken by Quebec before that Tribunal, to the effect that the factum of our solicitor was a complete vindication of provincial rights, and was listened to by the honorable judges and quoted from in giving their decision. On the other side it was not thought that our solicitors were behind in their advocacy of provincial rights, and I consider their statement of our case in the factum produced as creditable to them and advantageous to the provinces. The

PASSAGE OF THE SCOTT ACT

in so many counties will possibly curtail the issue of licenses by us. Personally I have no objection to its adoption, if proper means were used to enforce it, but in many places I fear the quantity of liquor sold is not much diminished from what it was formerly, and for us unfortunately our officers cannot enforce our law for the illicit sale of liquors, and while we lose revenue by the adoption of the Scott Act, the evils it was intended to prevent in many localities seem as bad as before its adoption. I have endeavored to induce the Dominion authorities to amend the Scott Act in such a way as to allow provincial officers to prose-

cute offenders against our law in counties where the Scott Act is in force, the same as if it was not in operation. I am not aware what success will attend my efforts. (Cheers.)

CROWN LANDS.

The estimate from this source in the various branches I have placed on the report of that Department at \$700,000. I am satisfied that this sum and more will be received from this source. The price of lumber is advancing and the demand, I understand, is increasing, which will doubtless increase our receipts considerably. The next item is

ADMINISTRATION OF JUSTICE.

The items of this source of revenue are as follows:—

Lawstamps.....	\$175,000 00
Registration stamps.....	16,000 00
Law fees, exclusive of stamps.....	7,500 00
Building and jury fund.....	14,000 00
Maintenance of prisoners.....	10,000 00
House of Correction, Montreal.....	5,000 00
Jail guards.....	4,000 00
High Constable's fees, Quebec.....	1,000 00
Fines.....	1,000 00
Montreal Court house.....	5,000 00

Making in all for Justice\$ 238,500 00

These items, I have every reason to believe, will be found within the mark on the whole, and the estimate will be realized.

Public officers: percentage on their fees, \$6,000.00; percentage on fees for registration of renewal of mortgages, \$1,000.00.....	\$ 7,000 00
Legislation, fees on private bills.....	4,000 00
Official Gazette, from estimate of Queen's printer.....	20,750 00
Lunatic asylums, from municipalities and paying patients...	35,000 00

This item will, I think, be realized if anything like what is due

and coming due is collected. As time passes on all new entries in the asylum involve payment by municipalities of half the cost of the keep of patients, and I am sorry to say that there is great indisposition on the part of some localities to contribute their share of the expense of keeping the poor unfortunate individuals from their own municipalities who are deprived of their reason, and this is more strange, as the cost of keeping them at home would be more onerous to the people, than what they have to contribute in the asylums of the province. (Cheers.)

Rents of public buildings, I estimate at.....	\$ 1,000
Casual revenue.....	1,500
Pension fund contributions.....	5,000
Interest on deposits, judicial and otherwise.....	30,000
Quebec Fire loan.....	500
Interest on price of Q. M. O. & O. R'y.....	375,000
Municipal Loan fund.....	100,000

I must acknowledge that I did not realize as much from the Municipal Loan fund as I anticipated, but municipalities have been notified that arrangements must be made to close up their accounts, and more disposition is beginning to be expressed for settlement than heretofore. The repayments on loans to Beauport asylum will bring in \$4,000, and the St. Jean de Dieu asylum, \$4,500. These estimates foot up the sum of \$3,093,622.80.

SUPPLEMENTARY ESTIMATES FOR THE CURRENT YEAR.

Before proceeding to the expenditure of the current year I beg to lay certain supplementary estimates of amounts required to complete the present financial year, either to provide for insufficient appropriations or for services which could not be foreseen, the whole amounting to \$50,561.17; the items consist of:

Legislation—Salaries and contingent expenses, including printing, binding, etc.....	\$12,136 17
Civil government—Salaries (this is an increase) as per order-in-council, submitted to the house some days since.....	75 00
Administration of justice—Administration of justice proper.....	\$ 8,000

Reformatory prisons for boys.....	15,000—23,000	00
Agriculture—French Veterinary school.....	1,500	00
Public works and buildings—Towards permanent installation of both houses of the Legislature.....	2,000	00
Miscellaneous services—Help to distressed people of Bonaventure and Gaspé.....	2,000	
Central Board of Health.....	4,000	
Registration service—Crown lands.....	5,000	
	<hr/>	11,000 00
Railways—Inspection of railways for years 1883, 1884, 1885, and part of 1886.....		850 00
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		\$50,561 17

EXPENDITURE FOR 1886-87.

I now come to the expenditure proposed for the year beginning July 1st, 1886. It will be observed that in making a comparison of the proposed expenditure for next fiscal year, as against the appropriations made for the current year, I have included amongst the latter the supplementary estimates of last Session and also the Supplementary estimates introduced at this session to cover want of appropriation made last session for several services. For legislation the amount of appropriation for next year is \$212,700, of which requires to be voted \$152,645, and already voted \$60,065, showing an increase of \$25,198.83 in this service. To account for this increase, it should be borne in mind that provision has to be made for expenses of elections which will take place during next year. For civil government the amount required is \$183,920, of which requires to be voted \$44,420, and previously voted \$139,500, as against this year's appropriation of \$188,275, showing \$4,355 less than voted last session for the current year. (Cheers.) It is quite probable that I may ask in the supplementary estimates a sum additional to that mentioned in the estimates submitted, as additional help is needed in some of the departments, and I hope the time is not far distant when a revision of the salaries of employes will be made and in some cases an additional amount added to such as are entitled to it, in consequence of services rendered. The next item is under the head Justice, including police, reformatory prisons and schools, industrial

schools and inspection. The amount required for this service is large, with, I am sorry to say, not much prospect of its being lessened until the Dominion Parliament amends the criminal law, a matter already laid before the Dominion Government for their consideration. There requires to be voted \$457,360.48, and already voted \$8,400, making in all \$465,760.48, as against appropriated for this year the sum of \$484,284.48, showing \$18,524 less than this year. It will be noticed by hon. members that I have included, for next year, industrial and reformatory schools which heretofore were included among general charities, and will this year and hereafter appear under the head of Justice and not among Charities, as was the expressed wish of the House last session. The expenses of Justice are very large and press heavily upon provincial funds, much more so than in any other Province of the Dominion where the municipalities have to expend out of municipal funds towards the cost of building and repairs of court houses and jails and the expenses of criminal prosecutions and maintenance of prisoners, which come in this Province principally out of provincial funds direct. Then we come to Public Instruction, literary and scientific institutions, arts and manufactures, the amount asked for which combined services is \$362,585, against \$366,785 for this year—a diminution of \$4,200. The appropriations for Superior Education \$78,410, and for Common schools \$160,000; schools in poor municipalities, \$6,000; Normal schools, \$42,000, and for School Inspectors, are the same as formerly. Some grants to other institutions lapse, and further provision must be made for the Board of Health than the vote of last session, which reduces the amount on the whole services mentioned. Then we come to agriculture, immigration, repatriation and colonization. The amount asked for these services is \$164,315, of which \$106,315 requires to be voted, \$58,000 being previously appropriated. Last session the amount appropriated was \$280,003.74, a difference in favor of next year of \$115,688.74. This, however, includes the special grant for Colonization roads. The grant to Agricultural Societies, \$50,000, is the same as before and the usual ordinary grant of \$70,000

for Colonization roads and to Colonization Societies \$5,000. On Immigration and Repatriation \$2,000 less; the other grants are pretty much as usual. It will be noticed that in the grants last session, \$100,000 was special to Colonization roads, not expected to be paid out of ordinary revenue but applicable to capital account, so that, aside from that special grant, with the special grant to come up in the supplementary estimate this session, the difference is only \$15,688.74 less for next year than for this year. Then for public works and buildings, the amount required is \$204,115.76, and requires to be voted in full, as against \$309,889, voted for the current year. The usual item, Rents and repairs of Public Buildings generally, is put at \$54,889, the details of which, as well as details on all the services mentioned, are given in pamphlet form to the House for reference. The cost of completing Parliament Buildings is placed at \$54,420, of which \$4,000 is a re-vote, and of Quebec Court House at \$73,700, of which \$14,000 is a re-vote. The Quebec Court House, including heating apparatus and furniture, will exceed the first estimates largely, caused by the changes in the plans since the contract was given, in order to make the building fire-proof; at least \$100,000, beyond the debentures chargeable to the district of Quebec, will be required to fully complete the building, vaults, heating and furniture. There is \$105,773.24 less than voted for this year now asked for. The next item is charities—For lunatics proper at Beauport, St. Jean de Dieu, and St. Ferdinand d'Halifax, \$230,000 is required, and for miscellaneous charities, \$37,776, in all \$267,776, all of which require to be voted, the same as last year. Miscellaneous services include Crown Lands expenditure, Pension fund, Quebec *Official Gazette*, stamps and licenses, and miscellaneous generally, requiring \$200,811, of which requires to be voted \$185,811, and already voted \$15,000, being \$29,827.40 less than appropriated for the current year. Next we come to public debt. The amount of interest and sinking fund upon our public debt is put down at \$1,005,820.31, being an increase of some \$20,000 more than last session. I thought it better to provide for interest, if need be, for temporary loans for the coming year. The next item

is Railway Expenditure. The amount expected to be required for railway purposes is \$284,000, of which requires to be voted \$34,000, and already appropriated \$250,000. As I have already said, it is impossible to make a correct estimate of what may be required for railway purposes, as we do not know how many miles of subsidized railways will be built during the year, and the amount payable depending upon this, we can only be ready to meet the subsidies when earned. From what I have stated it would appear that I have estimated the receipts for the coming fiscal year, omitting \$8,500 estimated to be repaid on account of loans to proprietors of asylums, at \$3,085,122.80, and the proposed expenditure for the ordinary purposes of the Province at \$2,939,693.55, showing a

DIFFERENCE IN FAVOR OF THE ESTIMATED RECEIPTS

of \$145,429.25, but I am not to be understood as meaning that I expect so much surplus on the year's transactions, because there will be supplementary estimates for ordinary expenditure brought in which will diminish the balance considerably. It will be noticed that the gross estimated expenditure of \$3,351,813.55 includes \$412,120 of extraordinary expenditure, viz., \$284,000 for railway subsidies and Q., M., O. & O. claims; \$54,420 for the Parliament Buildings and \$73,700 for Quebec Court House, which are to be provided for by loans, leaving the ordinary expenditure, as I have said, at \$2,939,693.55. This amount of extraordinary expenditure is not taken into account in making up the difference between amount of estimated receipts and common usual expenditure for the year. It will be noticed also that the legislation proposed by me provides permanently for \$2,394,000 on account of the sinking fund required for the balance of the loan of 1874, so that, although in the estimates submitted provision is made for the whole \$30,854.67 for sinking fund as usual, \$23,940, being provided for, will not require to be invested out of estimates submitted, and as the sinking fund expenditure does not require to be voted, the appearance of it in the estimates will not affect the accounts in any way.

In other words, the estimate for sinking fund of \$30,854.67 might be reduced by \$23,940, as that amount will be provided for, but it will make no difference in the application of the Sinking Fund or in the statement of accounts at the end of the year. (Cheers.)

THE COMING CONTEST.

Mr. Speaker, before this House meets again, the electorate of the Province will have expressed an opinion upon the conduct of the present members of this House and their appreciation of the manner in which the business of the country has been carried on. It is not for me to express any opinion upon what the result of the general election will be, and it would be out of place for me to express an opinion on how the election contests should be conducted. Everyone must decide for himself, not only as to what side he will choose to support, but in what manner the contests shall be carried on. I have faith in the general intelligence of our people and of their desire to have our public affairs well administered. That there will be many changes in the *personnel* of the House we may reasonably look for, as former general elections uniformly gave a similar result. On the people rests the responsibility of a proper choice of representatives. It is well that they should have an opportunity of expressing their views periodically at the polls upon those who represent them in the Legislature of the Province, and I trust the wisdom of their choice will be exhibited in sending as our successors a class of men patriotic, intelligent, capable of understanding the wants of the country, and of legislating to meet these wants, and men who prefer and will support the real interests of the Province, irrespective of the party lines which have hitherto too much divided our people. Canada, in common with many other countries, has had a time of commercial depression, but we have suffered less than many other parts of the world, and I am pleased to say that things look much brighter than they have done during the years immediately preceding. We have every reason to look for increased prosperity in our Province and throughout the

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Dominion. The Government has tried to do what was possible, within our means, to assist in opening up our wild lands for settlement, by means of railways and colonization roads, aided and sustained as it has been by the honorable members of this House, which cannot fail in the future, as in the past, of further developing our resources, inducing further improvements in agriculture, in its various branches, by causing the introduction of various kinds of new manufactures—by implanting in the minds of our people a desire for further progress in education of all kinds, literary and technical, moral and religious. I have every

FAITH IN THE FUTURE PROSPERITY

of our Province, as also in the prosperity of our Dominion. (Cheers). We have unlimited natural resources not yet developed to any great extent; and resources, not yet known or dreamed of, await exploration, examination and development, by means of capital properly invested, which cannot fail to benefit succeeding generations. Our fisheries are unlimited in extent, our coal mines in the east and west are just beginning to be known and appreciated and worked to advantage. Our gold and other mines are in course of being opened, and in the near future, if properly worked, will give good returns for the capital and labor expended thereon. Our manufactures of various kinds have already assumed an importance which a few years since was not expected. Our railway communication in every part of the country has progressed with a rapidity unexampled in any country in the world, taking our population and means into account. Our agricultural capabilities and resources are only beginning to be appreciated; the raising of stock for use in our markets and for exportation, although assuming proportions creditable to our farmers, is only in its infancy. The manufacture of butter and cheese has increased wonderfully during the last few years, and is beginning to attract the notice of our agriculturists as to what may be done in these important branches of industry. Our commerce is extending to foreign countries to such an extent that Canada holds no mean place in the commercial marine of the world. Our education is

being extended in all its branches, and is becoming more and more appreciated by the people. A few more words, Mr. Speaker, and I have done. The completion of

THE CANADIAN PACIFIC RAILWAY

will have a great influence in promoting the prosperity of the Dominion at large, in which our province cannot fail to participate. When it is taken into account our comparatively sparse population, our comparatively limited resources, the vast territory traversed by the Canadian Pacific Railway, from ocean to ocean, across this continent, and the completion of a work of that magnitude in so short a time, it is certainly wonderful how much has been accomplished. The countries of Europe cannot but feel that their descendants in Canada are worthy of their ancestry, and proud that, instead of deteriorating in this Canada of ours, their descendants are found equal to any emergency that may arise, and determined to extend civilization to the utmost, and to render permanent those free institutions which are the boast of those nations from which the people of Canada have sprung. (Hear, hear.) The Colonial Exhibition in London, at present in operation, will have a tendency to show that Canada is not that cold, snowy, barren country, which some have supposed, and that the products of the soil, of manufactures, of education and of the fine arts, entitle Canada to assume a place amongst the most favored nations of the world, and worthy to stand side by side with the old countries of Europe as respects civilization, advancement in mental culture, of energy and enterprise in every department of life, and that even in the arts and sciences some of our people have nothing to fear in coming in contact with the *savans* of Europe. (Hear, hear.) Our province will, I doubt not, do its share in the Colonial Exposition, as also the other Provinces of the Dominion, and will tend to attract settlers from Europe to our shores, and will show also that in as far as respects a comparison with our American cousins over the line, Canada fears no competition, and affords equal, if not superior, inducements to parties who wish

to settle on the Western continent of America. In my last Budget Speech I remarked that "in this country we have peace and plenty in all our borders." I little thought at the time, that ere a few months elapsed, in our Western territories the

TORCH OF REBELLION

would be lighted and the people of the eastern provinces obliged to put down, by the strong hand, the outbreak in the West. I am not going to enter into the question of whether the rebellion in the West had any justification or not. I merely allude to it, so as to express my humble testimony in favor of our brave volunteers who, at a moment's notice, at an inclement season of the year and without a moment's hesitation, offered themselves in defence of our country and who conducted themselves in the camp and on the battlefield equal to veteran soldiers and won not only the applause of their fellow-citizens, but commendation from old experienced soldiers and the thanks of the mother country, and well they deserved these tokens of recognition. (Cheers.) We regret the loss of many valuable lives; we regret the loss of valuable time and property; at the same time we have gained a knowledge of what our volunteers really are; that they are quick to respond to the call of duty; that they are strong and hardy and amenable to discipline, alike on the field of battle as in the camp or on the march, that they have the stamina and constitution to endure fatigue, not only without complaint, but with cheerfulness and gaiety—(hear, hear),—that all classes of our volunteers and of various nationalities are equally ready to defend their country or protect our free institutions against any and every foe, and, what is better, that when their public duty in defence of their country is over, they can and did return to their several avocations and show that in peace as well as war they are deserving of the respect, esteem and love of their fellow citizens. All honor then, I say, to our volunteers—men as well as officers,—all are enshrined in the hearts of our people, and we trust a like occasion for their services will not arise for many many years to come. (Cheers.)

THE IRISH SITUATION.

The British Parliament and people are now anxiously considering and discussing most important measures affecting the prosperity and happiness of many of our fellow citizens across the water. It is not my province to discuss these questions, but I may be allowed to express the hope that a practical, peaceful and amicable solution of the difficulties which are now agitating the public mind at home, may be arrived at in such a way as to preserve the unity of the Empire, to reconcile all difficulties existing amongst the people and produce and promote harmony from one end of the Empire to the other. I hope Mr. Speaker, I have not wearied you and my honorable colleagues in this House. In closing may I be permitted to express the hope that whether hereafter the members of this House occupy seats again here or not, we may each and all of us be found always ready to do our duty in whatever sphere we may occupy, public or private, so that when we follow the great majority over "that bourne from whence no traveller returns," it may be said of us individually that we did our duty towards our God, towards our country and towards our fellowmen.

The hon. gentleman was frequently interrupted with applause, and on resuming his seat was greeted with prolonged cheers from all parts of the House.